MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

T2, 2017/ 2018

BFS7154 – CORPORATE FINANCIAL STRATEGIES

(MBA Full Time)

9 FEBRUARY 2018
9.00 a.m – 12.00 p.m
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consist of **TWO (2)** pages (including the cover page).

2. Answer **ALL** questions. The marks distributions are given in parentheses.

3. Write all your answers in the **Answer Booklet** provided.

Question 1 (50 marks)

Discuss the life cycle model for any product or service you have come across in the Malaysian business environment. Identify the characteristics of this product or service and relevant elements of its business incorporating the developmental stages with regards to business and financial risks. The possible linkages to earnings per share, dividend payments, capital growth, capital structure and total shareholder return. Formulate possible strategic options for this business to enhance the creation of value for its stakeholders.

Question 2 (20 marks)

a. Explain three **(3)** good and two **(2)** bad reasons for any possible acquisitions. (10 marks)

b. Briefly discuss five **(5)** defensive strategies that can be adopted by any firms to fend off the bid. (10 marks)

Question 3 (20 marks)

a. State three **(3)** reorganization strategies that are commonly used. (6 marks)

b. Discuss two **(2)** reasons why demergers are seen to add value. (4 marks)

c. List and expalin five **(5)** possible warning signs that the company's financial situation is bad. (6 marks)

Question 4 (10 marks)

List the process of forecast preparation (10 marks)

End of Paper